Consolidated Financial Statements and Supplementary Information Together with Report of Independent Certified Public Accountants

Girl Scouts of the United States of America

September 30, 2023 with summarized comparative information for the year ended September 30, 2022

Contents

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
Girl Scouts of the United States of America

Report on the financial statements

Opinion

We have audited the consolidated financial statements of Girl Scouts of the United States of America (the "Organization"), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Property and Equipment as of September 30, 2023 and the Consolidating Schedule of Financial Position as of September 30, 2023 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures. These additional procedures included comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with US GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Grant Thornton

Report on 2022 summarized comparative information

We have previously audited the Organization's 2022 consolidated financial statements (not presented herein), and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 26, 2023. In our opinion, the accompanying summarized comparative information and Consolidating Schedules of Property and Equipment and Financial Position as of and for the year ended September 30, 2022 is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Grant Thornton LLP

New York, New York
January 25, 2024

Girl Scouts of the United States of America

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of September 30,

	2023	2022
ASSETS		
Cash and cash equivalents	$ 28,856,000	$ 11,957,000
Accounts receivable, net of allowance for doubtful accounts of approximately $698,000 in 2023 and $668,000 in 2022	4,362,000	3,812,000
Inventories, net	7,066,000	8,184,000
Prepaid expenses	4,708,000	2,892,000
Investments	171,143,000	166,185,000
Contributions and deferred gifts receivable, net	3,383,000	4,497,000
Funds held in trust for others	560,000	535,000
Overfunded pension liability	475,000	-
Property and equipment, net	35,945,000	42,324,000
Total assets	$ 256,498,000	$ 240,386,000
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 15,903,000	$ 17,098,000
Pension liability	-	5,202,000
Line of credit	-	1,000,000
Loan facility	13,000,000	7,200,000
Funds held in trust for others	560,000	535,000
Deferred revenues:		
Membership dues	27,326,000	26,762,000
Other	12,307,000	1,110,000
Total liabilities	69,096,000	58,907,000
Net assets		
Without donor restrictions:		
Operating fund	27,932,000	28,878,000
Pension fund	(21,849,000)	(24,965,000)
Board-designated	110,359,000	109,079,000
	116,442,000	112,992,000
With donor restrictions:		
Purpose restricted	40,794,000	40,347,000
Time-restricted for future periods	328,000	304,000
Perpetual in nature	29,838,000	27,836,000
	70,960,000	68,487,000
Total net assets	187,402,000	181,479,000
Total liabilities and net assets	$ 256,498,000	$ 240,386,000

The accompanying notes are an integral part of these consolidated financial statements.

Girl Scouts of the United States of America

CONSOLIDATED STATEMENT OF ACTIVITIES

For the year ended September 30, 2023, with summarized comparative financial information for 2022

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
Operating revenues				
Membership dues	$ 38,718,000	$ -	$ 38,718,000	$ 36,977,000
Girl Scout merchandise gross profit	20,629,000	-	20,629,000	19,899,000
Royalty income	9,314,000	-	9,314,000	9,292,000
Gifts, grants and bequests	11,373,000	13,528,000	24,901,000	28,557,000
Contributions of nonfinancial assets	1,269,000	-	1,269,000	-
Training/meeting revenue	9,247,000	-	9,247,000	5,700,000
Investment income allocation	5,054,000	2,224,000	7,278,000	7,354,000
Software maintenance	5,387,000	-	5,387,000	5,586,000
Other	1,332,000	1,277,000	2,609,000	2,679,000
Total operating revenues	102,323,000	17,029,000	119,352,000	116,044,000
Net assets released from restrictions	17,773,000	(17,773,000)	-	-
Total operating revenues	120,096,000	(744,000)	119,352,000	116,044,000
Operating expenses				
Program services:				
Comprehensive council support	46,811,000	-	46,811,000	41,726,000
Girl program development and adult learning opportunities	43,667,000	-	43,667,000	40,809,000
Brand promotion and external engagement	20,445,000	-	20,445,000	20,323,000
Total program expenses	110,923,000	-	110,923,000	102,858,000
Supporting services:				
Fundraising	4,014,000	-	4,014,000	4,367,000
Management and general	8,776,000	-	8,776,000	9,225,000
Total supporting services	12,790,000	-	12,790,000	13,592,000
Total operating expenses	123,713,000	-	123,713,000	116,450,000
Operating deficit	(3,617,000)	(744,000)	(4,361,000)	(406,000)
Nonoperating revenue, gains and losses				
Endowment contributions	-	13,000	13,000	13,000
Change in value of deferred gifts	-	24,000	24,000	(104,000)
Change in value of charitable gift annuities	31,000	-	31,000	(96,000)
Contributed advertising revenue	10,993,000	-	10,993,000	18,622,000
Contributed advertising expense	(10,993,000)	-	(10,993,000)	(18,622,000)
Net investment income (loss) in excess of income allocation	5,259,000	3,180,000	8,439,000	(32,065,000)
Pension (loss) gain other than service cost	(1,339,000)	-	(1,339,000)	1,309,000
Other nonoperating pension charges	3,116,000	-	3,116,000	(5,950,000)
Total nonoperating revenue, gains and losses	7,067,000	3,217,000	10,284,000	(36,893,000)
Change in net assets	3,450,000	2,473,000	5,923,000	(37,299,000)
Net assets, beginning of year	112,992,000	68,487,000	181,479,000	218,778,000
NET ASSETS, END OF YEAR	$ 116,442,000	$ 70,960,000	$ 187,402,000	$ 181,479,000

The accompanying notes are an integral part of this consolidated financial statement.

Girl Scouts of the United States of America

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended September 30, 2023, with summarized comparative financial information for 2022

	Program Services				Supporting Services				
	Comprehensive Council Support	**Girl Program Development and Adult Learning Opportunities**	**Brand Promotion and External Engagement**	**Total**	**Fundraising**	**Management and General**	**Total**	**2023 Total**	**2022 Total**
Salaries and related benefits	$ 15,007,000	$ 13,194,000	$ 10,678,000	$ 38,879,000	$ 2,336,000	$ 4,557,000	$ 6,893,000	$ 45,772,000	$ 48,037,000
Travel and related expense	877,000	317,000	273,000	1,467,000	86,000	117,000	203,000	1,670,000	1,041,000
Nonstaff services	1,777,000	2,548,000	397,000	4,722,000	107,000	272,000	379,000	5,101,000	4,834,000
Professional services	7,111,000	5,737,000	4,879,000	17,727,000	355,000	1,056,000	1,411,000	19,138,000	13,517,000
Rent, occupancy and technology	6,971,000	5,223,000	1,166,000	13,360,000	321,000	329,000	650,000	14,010,000	13,757,000
Office, publishing and technology	11,182,000	4,695,000	1,593,000	17,470,000	569,000	1,452,000	2,021,000	19,491,000	16,574,000
Grants and scholarships	1,431,000	7,153,000	-	8,584,000	-	-	-	8,584,000	9,433,000
Other expenses	2,343,000	3,643,000	1,459,000	7,445,000	240,000	993,000	1,233,000	8,678,000	9,257,000
Total expenses before donated goods and services and contributed advertising	46,699,000	42,510,000	20,445,000	109,654,000	4,014,000	8,776,000	12,790,000	122,444,000	116,450,000
Donated goods and services	112,000	1,157,000	-	1,269,000	-	-	-	1,269,000	-
Total expenses before contributed advertising	46,811,000	43,667,000	20,445,000	110,923,000	4,014,000	8,776,000	12,790,000	123,713,000	116,450,000
Contributed advertising	-	-	10,993,000	10,993,000	-	-	-	10,993,000	18,622,000
Total expenses	$ 46,811,000	$ 43,667,000	$ 31,438,000	$ 121,916,000	$ 4,014,000	$ 8,776,000	$ 12,790,000	$ 134,706,000	$ 135,072,000

The accompanying notes are an integral part of this consolidated financial statement.

Girl Scouts of the United States of America

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended September 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 5,923,000	$ (37,299,000)
Adjustments to reconcile net earnings to net cash flows provided by (used in) operating activities:		
Depreciation	9,084,000	9,570,000
Impairment of software development costs	807,000	750,000
Change in allowance for doubtful accounts	153,000	124,000
Provision for inventory	501,000	126,000
Change in discount on contributions receivable	46,000	(51,000)
Change in deferred gifts receivable	(24,000)	104,000
Change in charitable gift annuity	(31,000)	96,000
Change in right of use asset	90,000	87,000
Net realized gains on sales of investments	(920,000)	(7,428,000)
Change in appreciation on investments	(12,543,000)	34,387,000
Contributions restricted for investment in permanently restricted net assets	(13,000)	(13,000)
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(703,000)	(165,000)
Decrease (increase) in inventories	617,000	(1,840,000)
(Increase) in prepaid expenses	(1,816,000)	(1,699,000)
Decrease in contributions and deferred gifts receivable	1,092,000	1,288,000
(Increase) decrease in funds held in trust for others	(25,000)	106,000
(Decrease) increase in pension liability	(5,677,000)	741,000
(Decrease) in accounts payable and accrued liabilities	(1,492,000)	(1,783,000)
Increase (decrease) in funds held in trust for others	25,000	(106,000)
Increase in deferred revenues	11,761,000	137,000
Net cash provided by (used in) operating activities	6,855,000	(2,868,000)
Cash flows from investing activities:		
Purchase of property and equipment	(3,282,000)	(4,903,000)
Proceeds from sales of investments	48,020,000	62,233,000
Purchases of investments	(39,484,000)	(46,472,000)
Net cash provided by investing activities	5,254,000	10,858,000
Cash flows from financing activities:		
Contributions restricted for investment in permanently restricted net assets	13,000	13,000
Proceeds from the loan facility	7,800,000	3,200,000
Payments on the loan facility	(2,000,000)	-
Payments on the line of credit	(1,000,000)	(19,000,000)
Principal payments on finance lease obligations	(23,000)	(20,000)
Net cash provided by (used in) financing activities	4,790,000	(15,807,000)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	16,899,000	(7,817,000)
Cash and cash equivalents, beginning of year	11,957,000	19,774,000
Cash and cash equivalents, end of year	$ 28,856,000	$ 11,957,000
Supplemental disclosures of cash flow information:		
Interest paid on line of credit	$ 734,000	$ 316,000
Fixed asset purchases included in accounts payable and accrued liabilities	$ 320,000	$ 105,000
Equipment acquired under finance lease obligations	$ -	$ 26,000

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

Girl Scouts of the United States of America ("GSUSA" or the "Organization"), headquartered in New York City, is a national nonprofit organization with the mission to build girls of courage, confidence, and character, who make the world a better place. Formed in 1912 in Savannah, Georgia, GSUSA is in its second century of serving girls, with nearly two million adult and girl members spread across 111 independent Girl Scout councils. The governance of the organization relies on an inclusive democratic process that is responsive to our fast-changing world.

As the world's foremost girl leadership organization, GSUSA puts girls front and center, understanding that when girls succeed, so does society. The girl-led and all-around girl-centered aspects of Girl Scouting are central to what the organization offers, and the foundation of the Girl Scout program is the Girl Scout Leadership Experience, through which girls take the lead in their own lives and in the world around them.

With the support of caring adult volunteers and mentors, Girl Scouts explore STEM (science, technology, engineering, and math), the outdoors, and entrepreneurship, all while developing crucial life skills that serve them well beyond their time as girl members. The Girl Scout program is proven to help girls thrive in five key ways: they develop a strong sense of self; seek challenges and learn from setbacks; display positive values; form and maintain healthy relationships; and identify and solve problems.

GSUSA is committed to becoming an inclusive, anti-racist organization that seeks to give all girls—in every community across our nation, of every background, identity, and ability, and in every economic circumstance—the opportunity to join our Movement and feel welcome within it.

The accompanying consolidated financial statements include the assets, liabilities, net assets, revenues, and expenses of GSUSA and its wholly owned subsidiaries, New York Girl Scouts, Inc. (nominee) and One GS Media LLC—collectively referred to as the "Organization." One GS Media, LLC, operated the digital media website, CircleAround™, which ceased operations in September 2022. All significant intercompany transactions and balances have been eliminated in consolidation.

The purpose of GSUSA is to promote the Girl Scout Movement, which consists of all members registered through the national office and Girl Scout councils. GSUSA received a congressional charter by a special act of the United States Congress on March 16, 1950, and Girl Scouts' 111 councils are granted charters by the GSUSA National Board of Directors. Each Girl Scout council is separately incorporated but chartered by GSUSA with two primary responsibilities: to deliver the Girl Scout Leadership Experience to any girl in grade K–12 who meets the membership requirements, and to further the development of the Girl Scout Movement in the United States.

GSUSA provides services to its chartered councils. In providing these services, GSUSA is exempt from federal income tax in accordance with Section 501(c)(3) of the Internal Revenue Code. The accompanying consolidated financial statements do not include the assets, liabilities, net assets, revenues, and expenses of the chartered councils, which are governed by separate boards of directors. Total sales to chartered councils were approximately $19,062,000 and $18,423,000 in fiscal 2023 and 2022, respectively.

Girl Scouts of the USA's program services include:

Comprehensive Council Support

- Provide direct support to all 111 Girl Scout councils and USA Girl Scouts Overseas to ensure that Girl Scout programs and services are delivered effectively and consistently in all geographies in accordance with the mission, policies, and goals of the organization;

- In service of sustainable membership growth and Movement health, we support councils as they engage girls, volunteers, parents, councils, and supporters to fulfill the Girl Scout mission. The teams providing council support are involved with network alignment and advancement of Movement strategy; council leadership support and training; cultivation of national partnerships that drive membership growth; and facilitating peer-to-peer sharing of data-driven best practices. The teams work closely with all other GSUSA communities to bring an exceptional experience to our members and to ensure a vibrant, sustainably growing Movement;

- Enhance the customer experience through tools, resources, and Movement-wide common technology platform and products that support the engagement of volunteers and the retention and recruitment of members,

- Provide direct grants to councils to enhance their financial stability and build their programmatic capacity.

Girl Program Development and Adult Learning Opportunities

- Develop and evaluate timely, girl-endorsed programming for girl members of GSUSA, upholding GSUSA's reputation as the premier leadership development experience for girls;

- Drive the full lifecycle management of Girl Scout programs, ensuring relevant and engaging in-person and online experiences for members;

- Provide opportunities for Girl Scouts to participate in valuable cross-cultural experiences through which they can gain a deeper understanding of other cultures and global issues and learn how they can help where they feel inspired to do so;

- Lead program strategy, governance, and national execution in support of the Girl Scout Cookie Program;

- Develop and enhance technology that supports Girl Scouts in using e-commerce tools for their cookie businesses;

- Diversify and grow national licensing partnerships;

- Effectively utilize Girl Scout properties to provide unique customer experiences and grow membership including the Juliette Gordon Low Birthplace in Savannah, Georgia, and the Edith Macy Center in Westchester County, New York;

- Develop and manage GSUSA's relationship and programming with the World Association of Girl Guides and Girl Scouts (WAGGGS) and other global organizations; and

- Develop and evaluate learning opportunities for adult members of GSUSA, so that Girl Scout volunteers feel supported and able to confidently and effectively guide and deliver programming.

Brand Promotion and External Engagement

- Promote the Girl Scout brand, program, and mission far and wide, emphasizing that through Girl Scouts, girls and young women learn to take the lead in their own lives and the world;

- Maintain GSUSA's position in the marketplace as the preeminent leadership development organization for girls in the world;

- Research and advocate on issues that affect girls and women locally, nationally, and/or globally;
- Develop and promote the Girl Scout Cookie Program, the largest girl-led entrepreneurial program in the world;
- Develop, market, and sell Girl Scout–branded items and program materials to Girl Scout members and the general public; and
- Provide Girl Scout councils with marketing and communications tools and resources to help them reach external audiences in ways that are consistent with national efforts, to drive the public's recognition of GSUSA as a single cohesive Movement for girls.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Organization:

Net Assets

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

> *Net assets without donor restrictions:* Net assets that are not subject to donor-imposed stipulations or the donor-imposed restrictions have expired. All gifts, grants and bequests are considered to be classified as without donor restrictions unless specifically restricted by the donor. Net assets without donor restrictions include those net assets which have been designated by the Board of Directors for specific purposes as well as undesignated amounts for the working capital General Fund and the changes in the accounting for the pension plan.
>
> *Net assets with donor restrictions:* Some net assets that are subject to donor-imposed restrictions either for use during a specified time period and/or for a particular purpose are temporary in nature. When a donor-imposed restriction is fulfilled or when a time restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions. Other net assets with donor restrictions that are subject to donor-imposed restrictions whereby the corpus must be maintained in perpetuity by the Organization, allow the Organization to use all or part of the income earned on related investments for general purposes or donor restricted purposes.

Revenue Recognition

The Organization follows the guidance in Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The standard outlines a five-stop model whereby revenue is recognized as performance obligations within a contract are satisfied.

The Organization recognizes revenue when control of the promised goods or services are transferred to outside parties in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods or services. The Organization has identified membership dues, Girl Scout merchandise, royalty income, training and meeting revenue, and software maintenance as revenue categories subject to the adoption of ASC 606.

Membership dues

GSUSA offers annual membership to girl and adult members. GSUSA satisfies its performance obligation for annual membership and recognizes revenue over the membership term as its members simultaneously receive and consume the benefits over that timeframe. Generally, membership does not commence until after the Organization receives payment.

Payments received for membership dues in advance of the Organization satisfying its performance obligation are recorded within deferred membership dues in the accompanying consolidated statement of financial position. The changes in deferred membership dues were caused by normal timing differences between the satisfaction of performance obligations and customer payments. For the year ended September 30, 2023 the Organization recognized revenue of $26,762,000 from amounts that were included in deferred membership dues at the beginning of the year. For the year ended September 30, 2022 the Organization recognized revenue of $25,461,000 from amounts that were included in deferred membership dues at the beginning of the year.

At September 30, 2023 and 2022, deferred membership dues totaled $27,326,000 and $26,762,000 respectively.

Girl Scout merchandise

Girl Scout merchandise consists of a variety of educational and branded products that support GSUSA's programs and help further its charitable mission. Revenue is recognized at a point-in-time as merchandise is shipped.

Royalty income

Royalties are received from the Organization's licensees in return for the rights to use the Organization's symbolic intellectual property (including brand, name and logo). Royalty agreements include minimum guarantees and are recognized ratably over the term of the agreement. For amounts earned in excess of the minimum guarantee, revenue is recognized during the time period where the excess is earned.

Payments received for royalty agreements in advance of the Organization satisfying its performance obligation are recorded within deferred revenue in the accompanying consolidated statement of financial position and recognized as revenue in future periods as performance obligations are satisfied. The changes in deferred revenue were caused by normal timing differences between the satisfaction of performance obligations and customer payments.

Royalties include within deferred revenue totaled approximately $25,000 and $10,000 at September 30, 2023 and 2022 respectively. The Organization recognized approximately $10,000 in royalty income during fiscal year 2023 from amounts that were included in deferred revenue at September 30, 2022.

Management has elected the practical expedient permitted under ASC 606 not to disclose information about remaining performance obligations for its royalty agreements that include variable consideration.

Training and meeting revenue

Training and meeting revenue is comprised of three sources: 1) registration revenue for attendance at GSUSA sponsored events or trainings; 2) revenue earned from attendance at meetings and lodging at the Edith Macy educational center; and 3) admissions at the Juliette Gordon Low Birthplace. Revenue is recognized when the Girl Scout event or admission takes place.

Software maintenance

GSUSA has created a movement-wide technology platform. In order to recover a portion of the associated costs to maintain the platform, GSUSA charges the local Girl Scout councils a software license and maintenance fee. Revenue is recognized over the time period that usage is provided to the local Girl Scout council, which is typically either annually or quarterly.

Gifts, Grants and Bequests

The Organization recognizes gifts, grants and bequests as either contributions or exchange transaction revenues depending on whether the transaction is reciprocal or nonreciprocal. For exchange transactions, the Organization applies the guidance under ASC 606. For contributions, revenue is recognized when a contribution becomes unconditional. Typically, contributions require organizations to determine whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. If the agreement (or a referenced document) includes both, the recipient is not entitled to the transferred assets (or a future transfer of assets) until it has overcome the barrier(s) in the agreement. During fiscal 2023, GSUSA was the recipient of a conditional grant award and received $15 million to strengthen youth programs in Indiana, of which approximately $14.7 million will eventually be granted to multiple local Girl Scout councils. Under the terms of the grant award, GSUSA earned approximately $2.8 million in fiscal 2023 because the conditions under the grant award were satisfied. The remaining $12.2 million is included in deferred revenues – other in the accompanying consolidated statement of financial position until the conditions of the award are met.

Contributions Receivable

Unconditional promises to give that are expected to be collected within a year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at their estimated present value using a risk adjusted rate. An allowance is recorded for estimated uncollectible contributions based upon management's judgment and analysis of the creditworthiness of the donors, past collection experience, and other relevant factors, as necessary.

Deferred Gifts Receivable and Funds Held in Trust for Others

The Organization has been named as the sole or participating beneficiary in several charitable remainder trusts and perpetual trusts held by third-party trustees. A charitable remainder trust is an arrangement in which a donor establishes a trust with specified distributions to be made to a designated beneficiary or beneficiaries over the trust's term. The Organization will receive its share of the assets remaining upon the termination of the charitable remainder trust. A perpetual trust held by a third party is an arrangement in which a donor establishes and funds a perpetual trust administered by a third party other than the beneficiary or beneficiaries. Under the terms of the perpetual trust, the beneficiary or beneficiaries have the right to receive the income earned on the trust assets in perpetuity, but never receive the assets held in the trust.

The Organization has recorded the estimated fair value of its interests in the trusts' assets as net assets with donor restrictions, in accordance with the trusts' terms.

The Organization is acting as an agent for funds held in trust for local councils associated with the pooled income fund and certain charitable remainder trusts. These funds are distributed to the local councils in accordance with donors' intentions.

The Organization enters into agreements with donors to accept and administer charitable gift annuities, which provide for payments to the donors or their beneficiaries based upon specified annuity amounts.

Assets held under charitable gift annuities are included in investments. Contribution revenue is recognized at the date the annuity contract is established after recording the liability for the present value of the estimated future payments expected to be made to the donor and/or beneficiary. The liabilities are adjusted annually for changes in the life expectancy of the donor or beneficiary, amortization of the discount, and other changes in the estimates of future payments. The liabilities related to the Organization's charitable gift annuities totaled approximately $148,000 and $135,000 at September 30, 2023 and 2022, respectively, and are included in accounts payable and accrued liabilities. The discount rate used to value charitable gift annuities ranged from 1.4% to 4.8% at September 30, 2023 and 1.4% to 2.6% at September 30, 2022.

Operating Measure

Operating revenues and expenses reflect the activities in which the Organization typically engages to fulfill its mission. The Organization utilizes a spending rate in making its annual investment allocation for support of operations. Investment income, including net realized and unrealized gains and losses, earned in excess of or less than the Organization's spending rate is recognized within non-operating revenue, gains and losses. Endowment contributions, the change in value of deferred gifts and charitable gift annuities, contributed advertising revenue and expense, pension costs other than service cost, other nonoperating pension charges and other items considered to be unusual or nonrecurring in nature are recorded below the operating indicator on the accompanying consolidated statement of activities.

Fair Value Measurements

The Organization follows guidance that established a framework for measuring fair value by utilizing a fair value hierarchy based on the inputs used to measure fair value and enhancing disclosure requirements for fair value measurements. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market.

Level 2 - Pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable. The nature of these securities includes investments for which quoted prices are available but traded less frequently and investments that are fair valued using other securities, the parameters of which can be directly observed.

Level 3 - Securities that have little to no pricing observability. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization. The Organization considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Organization's perceived risk of that instrument (see Note 5).

Investments in mutual funds are valued based on published unit values. Investments in common stock are stated at quoted prices in an active market. Investments are pooled and the related investment income is allocated on a pro rata basis to the respective net asset classes.

Investments in private equity and hedge funds are stated at fair value based on valuations provided by the external investment managers or by the general partner or manager. Individual investment holdings within the alternative investments may include investments in both nonmarketable and market-traded securities. Fair value of the alternative investments is determined by management based on information provided by the investment manager or general partner. There are certain investments measured using a net asset value ("NAV") which is exempted from categorization within the fair value hierarchy and related disclosures. Instead, the Organization separately discloses the information required for assets measured using the NAV practical expedient, and discloses a reconciling item between the total amount of investments categorized within the fair value hierarchy and total investments measured at fair value on the face of the financial statements.

Investments in real estate funds are carried at estimated fair value. Fair value of the alternative investments is determined by management based on information provided by the investment manager or general partner.

Accounts Receivable

Accounts receivable primarily represent amounts due from Girl Scout councils and other vendors for Girl Scouts merchandise, amounts due from Girl Scout councils for membership dues payments, and amounts due from Girl Scout councils for technology licenses. Allowances for doubtful accounts are established based on prior collection experience and current economic factors which, in management's judgment, could influence the ability of councils and other vendors to pay the amounts due.

At September 30, 2023 and 2022, accounts receivable consisted of the following:

	2023	2022
Accounts receivable	$ 5,060,000	$ 4,480,000
Less: allowance for doubtful accounts:		
Beginning of year	(668,000)	(563,000)
Write offs	124,000	23,000
Recoveries	(1,000)	(4,000)
Increases in the allowance for doubtful accounts	(153,000)	(124,000)
End of year	(698,000)	(668,000)
Accounts receivable, net	$ 4,362,000	$ 3,812,000

Inventories

Inventories are stated at the lower of weighted-average cost or market value.

Property and Equipment

Property and equipment are included in the accompanying consolidated financial statements at cost or, if contributed, at the approximate fair value at the date of the gift. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets. The Organization capitalizes all property and equipment with a cost of at least $5,000 and an estimated useful life of more than one year. Software that has been purchased and developed for internal use and related upgrades and enhancements that result in additional functionality of the software are included in property and equipment. Related depreciation is recorded on a straight-line basis over the estimated useful lives of the software development costs.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and investments with maturities of three months or less, excluding cash and cash equivalents held as part of the investment portfolio.

The carrying amounts reported in the consolidated statements of financial position for cash and cash equivalents approximate fair value. At September 30, 2023 and 2022, the majority of cash and cash equivalents were held by two major U.S. financial institutions.

Functional Expenses

The majority of expenses can be directly identified with the program or supporting service to which they relate and are charged accordingly. Other expenses including depreciation, occupancy, information technology, and administration services have been allocated among program and supporting service classifications using headcount by operating unit.

For the year ended September 30, 2023, the Organization’s total costs and expenses were approximately $141,621,000, consisting of program services expenses of approximately $128,452,000 (including cost of sales of approximately $17,579,000 and commission expenses of $1,107,000), fundraising expenses of approximately $4,014,000 and management and general expenses of approximately $9,155,000 (including investment manager expenses of approximately $379,000).

For the year ended September 30, 2022, the Organization’s total costs and expenses were approximately $135,947,000, consisting of program services expenses of approximately $121,891,000 (including cost of sales of approximately $17,696,000 and commission expenses of $1,337,000), fundraising expenses of approximately $4,367,000 and management and general expenses of approximately $9,689,000 (including investment manager expenses of approximately $463,000).

Advertising Costs and Contributed Airtime

Advertising costs are expensed as incurred. Advertising costs totaled approximately $12,946,000 and $20,179,000 in fiscal 2023 and 2022, respectively. Of these advertising costs, approximately $1,953,000 and $1,557,000 was paid in cash in fiscal 2023 and 2022, respectively.

The remainder of the advertising costs represents in kind contributions received by the Organization primarily in the form of donated advertising on television, radio stations and in print. The fair value of such in-kind contributions is determined by management including using information provided by a third-party advertising service and approximated $10,993,000 and $18,622,000 for the years ended September 30, 2023 and 2022, respectively. Such amounts are reflected in the accompanying consolidated financial statements as contributed advertising revenue and contributed advertising expense. The Organization’s Marketing and Communications teams strive to use budget resources efficiently and make data-driven decisions.

Donated Goods and Services

For the year ended September 30, 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which increased the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure.

The Organization received $12,262,000 and $18,622,000 of donated goods and services including PSA tracking, travel and professional services, for the years ended September 30, 2023 and 2022, respectively. Revenues are included in contributions of nonfinancial assets, and related expenses are included in operating expenses, except for contributed advertising which is classified as a nonoperating revenue and expense.

	2023	2022
Contributed advertising	$ 10,993,000	$ 18,622,000
Marketing support	1,157,000	-
Travel	24,000	-
Professional services	88,000	-
Donated goods and services	$ 12,262,000	$ 18,622,000

Contributed nonfinancial asset type	2023 Revenue Recognized	2022 Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Contributed advertising	$ 10,993,000	$ 18,622,000	Brand marketing	No associated donor restrictions	FMV of goods or services valued by third party media services in like circumstances
Marketing support	1,157,000	-	Programmatic	No associated donor restrictions	FMV of goods or services valued using standard industry pricing for similar services
Travel	24,000	-	Programmatic	No associated donor restrictions	FMV of goods or services valued using standard industry pricing for similar services
Professional services	88,000	-	Programmatic	No associated donor restrictions	FMV of goods or services valued using standard industry pricing for similar services
Total	$ 12,262,000	$ 18,622,000			

Reclassifications

Certain information in the fiscal 2022 consolidated financial statements have been reclassified to conform to the fiscal 2023 presentation. There were no changes in total assets, liabilities, or changes in net assets as reflected in the 2022 consolidated financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("US GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant management estimates and assumptions relate to the determination of allowances for doubtful accounts for merchandise sales, inventory obsolescence, and contributions receivable; the determination of year-end operating accruals; the useful lives assigned to property and equipment; actuarial assumptions used in estimating the pension liability; and the reported fair values of certain of the Organization's financial instruments, particularly non-marketable investments such as private equity, real estate, hedge fund, private bond fund, and collective trust fund investments. Actual results may differ from those estimates.

Concentration of Credit Risk

Cash, cash equivalents, and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Organization has a diversified portfolio in a variety of asset classes managed by independent investment managers. The Organization's cash, cash equivalents and investments were placed with high credit quality financial institutions. The Organization regularly evaluates its investments including performance thereof. Due to inherent risks and potential volatility in investment valuations, the amounts reported in the accompanying consolidated financial statements can vary substantially from year to year. The Organization maintains its cash in various bank deposit accounts that, at times, may exceed federally insured limits; however, the Organization has not experienced, nor does it anticipate, any losses in such accounts.

Income Taxes

The Organization follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This standard provides that the tax effects from an uncertain tax position can be recognized in the consolidated financial statements only if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The standard also provides guidance on measurement, classification, interest and penalties, and disclosure and had no material impact on the accompanying consolidated financial statements. The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions.

2022 Summarized Comparative Financial Information

The accompanying consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements as of and for the year ended September 30, 2022, from which the summarized information was derived.

NOTE 3 - LIQUIDITY AND AVAILABILITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a twelve-month period, the Organization considers all expenditures related to its ongoing activities. The Organization generally strives to operate with a balanced budget and anticipates collecting sufficient revenue from memberships dues, sales of Girl Scout merchandise, royalties, and contributions without donor restrictions to cover general expenditures not covered by donor restricted resources.

Financial assets in excess of daily cash requirements are invested in money market funds and other short-term investments.

Operating reserves of $65,187,000 and $66,179,000 for the years ended September 30, 2023 and 2022, and board-designated funds of $43,555,000 and $41,189,000, respectively, are subject to an annual spending rate of 4% (except the Movement Growth Fund which has a spending rate of 5%) as described in Note 13. Although we do not regularly spend from the operating reserves or board-designated funds (other than amounts appropriated for general expenditure as part of our Board’s annual budget approval and appropriation), these amounts could be made available and drawn upon through Board resolution. In 2023, the Organization budgeted and spent an additional $4,500,000 for strategic investments from operating reserves and $700,000 from the Macy Scholarship Fund for Gold Award Scholarships. In 2022, the Organization budgeted and spent an additional $8,170,000 for strategic investments from operating reserves and $5,250,000 from the Movement Growth Fund to assist Councils in making pension payments.

Donor-restricted endowments are restricted for specific purposes with the exception of amounts available for general use.

In the event of an unanticipated liquidity need, the Organization could draw upon its available line of credit (as further discussed in Note 9).

The table below reflects the Organization's financial assets as of September 30, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date due to contractual restrictions or internal board designations:

	2023	2022
Cash and cash equivalents	$ 28,856,000	$ 11,957,000
Investments	171,143,000	166,185,000
Accounts receivable	4,362,000	3,812,000
Contributions receivable	3,383,000	4,193,000
Total financial assets	207,744,000	186,147,000
Board appropriated net assets	(1,617,000)	(1,711,000)
Board designated net assets	(43,555,000)	(41,189,000)
Board designated net assets - operating reserve	(65,187,000)	(66,179,000)
Donor designated endowments	(60,658,000)	(56,575,000)
Contributions receivable due in greater than one year	(1,140,000)	(680,000)
Charitable gift annuities	(515,000)	(457,000)
Donor designated contributions with liquidity greater than one year	(3,286,000)	(3,614,000)
Financial assets available to meet cash needs for general expenditures within one year	$ 31,786,000	$ 15,742,000
Board designated net assets - other	$ 43,555,000	$ 41,189,000
Board appropriated net assets	1,617,000	1,711,000
Board designated net assets - operating reserve	65,187,000	66,179,000
	110,359,000	109,079,000
Total financial assets available to meet cash needs for general expenditures within one year including board designated net assets	$ 142,145,000	$ 124,821,000

NOTE 4 - INVENTORIES

Inventories in warehouses and at suppliers were approximately $7,066,000 and $8,184,000 at September 30, 2023 and 2022, respectively.

Finished goods inventories are net of a reserve for obsolescence of approximately $732,000 and $746,000 at September 30, 2023 and 2022, respectively.

NOTE 5 - INVESTMENTS

Investments, at fair value were comprised approximately of the following at September 30, 2023 and 2022:

	2023	2022
Common stocks		
Small capitalization equities	$ 2,647,000	$ 2,392,000
Mutual funds		
Fixed income core securities	18,865,000	18,712,000
Domestic	32,733,000	32,008,000
International	40,125,000	34,927,000
Private equity funds	21,711,000	23,717,000
Global commingled funds	16,108,000	15,356,000
Common collective trust	6,213,000	10,086,000
Hedge funds	21,431,000	19,889,000
Real estate funds	9,648,000	5,200,000
Money market funds	1,662,000	3,898,000
	$ 171,143,000	$ 166,185,000

Alternative investments represent hedge fund, limited partnership and similar interests held by the Organization in funds that invest in public and private securities and follow a variety of investment strategies. Terms and conditions of these investments, including liquidity provisions, are different for each fund. The Organization believes that the carrying amount of its alternative investments was a reasonable estimate of the fair value of such investments at September 30, 2023 and 2022. As is typical of investment portfolios of similar types of institutions, alternative investments are not readily marketable, the estimated value is subject to uncertainty and, therefore, may differ from the value that would have been used had a ready market for such investments existed.

The Organization utilizes a spending rate policy to make an annual investment income allocation for the support of operations, other Board designated purposes, and Donor restricted purposes of 4% (except for the Movement Growth Fund which has a spending rate of 5%) of the average market value of the Organization’s investment portfolio over the last four years. The investment policy rates have been set to grow the market value of the investments.

Investment income has been reported as follows:

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Interest and dividends, net of investment manager expenses of approximately $379,000 and $463,000 in fiscal 2023 and 2022, respectively	$ 1,479,000	$ 775,000	$ 2,254,000	$ 2,248,000
Net realized gains on sale of investments	604,000	316,000	920,000	7,428,000
Net unrealized gains on investments	8,230,000	4,313,000	12,543,000	(34,387,000)
Total investment gains	10,313,000	5,404,000	15,717,000	(24,711,000)
Investment income allocation used for current operations	(5,054,000)	(2,224,000)	(7,278,000)	(7,354,000)
Net investment gain in excess of income allocation	$ 5,259,000	$ 3,180,000	$ 8,439,000	$ (32,065,000)

The following table represents the Organization’s investments, measured at fair value, within the fair value hierarchy, as of September 30, 2023:

	Total	Level 1
Common stock		
Small capitalization equities	$ 2,647,000	$ 2,647,000
Mutual funds		
Fixed income core securities	18,865,000	18,865,000
Domestic	32,733,000	32,733,000
International	40,125,000	40,125,000
Money market funds	1,662,000	1,662,000
Subtotal	96,032,000	96,032,000
Investments carried at NAV	75,111,000	
Total	$ 171,143,000	

The following table represents the Organization's investments, measured at fair value, within the fair value hierarchy, as of September 30, 2022:

	Total	Level 1
Common stock		
Small capitalization equities	$ 2,392,000	$ 2,392,000
Mutual funds		
Fixed income core securities	18,712,000	18,712,000
Domestic	32,008,000	32,008,000
International	34,927,000	34,927,000
Money market funds	3,898,000	3,898,000
Subtotal	91,937,000	91,937,000
Investments carried at NAV	74,248,000	
Total	$ 166,185,000	

The Organization uses the NAV to determine the fair value of all the underlying investments which: (a) do not have a readily determinable fair value and (b) prepare their investees financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company. Per the accounting standard governing NAV as a practical expedient, the following tables list investments in other companies by major category as of September 30, 2023 and 2022:

2023

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private equity funds	Funds are focused on venture and buyout in the U.S.: U.S. buyout primary partnerships, and US credit primary partnerships.	$ 21,711,000	9	1 to 9 years	$ 2,797,000	1 to 6 years
Common collective trust	Collective investment fund focusing on generating attractive return, through investment in a diversified portfolio of emerging markets debt and currency instruments.	6,213,000	2	N/A	N/A	N/A
Global commingled funds	Securitized credit trust is high current income and total potential returns through diversified exposure to securitized assets.	16,108,000	2	N/A	N/A	From semimonthly to 5 business days
Hedge funds	Hedge funds focusing on absolute return strategies, credit strategies and maximizing risk-adjusted returns.	21,431,000	2	N/A	N/A	N/A
Real estate funds	Focus in specific markets, submarkets and properties with the potential for generating above average returns on a risk-adjusted basis.	9,648,000	3	7 years	965,000	1 to 2 years
Total		$ 75,111,000	18		$ 3,762,000	

2022

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private equity funds	Funds are focused on venture and buyout in the U.S.: U.S. buyout primary partnerships, and US credit primary partnerships.	$ 23,717,000	9	1 to 9 years	$ 3,724,000	1 to 6 years
Common collective trust	Collective investment fund focusing on generating attractive return, through investment in a diversified portfolio of emerging markets debt and currency instruments.	10,086,000	3	N/A	-	N/A
Global commingled fund	Securitized credit trust is high current income and total potential returns through diversified exposure to securitized assets.	15,356,000	2	N/A	-	From semimonthly to 5 business days
Hedge funds	Hedge funds focusing on absolute return strategies, credit strategies and maximizing risk-adjusted returns.	19,889,000	2	N/A	-	N/A
Real estate fund	Focus in specific markets, submarkets and properties with the potential for generating above average returns on a risk-adjusted basis.	5,200,000	2	8 years	1,124,000	1 to 2 years
Total		$ 74,248,000	18		$ 4,848,000	

The Private Equity funds have no redemption terms. The Hedge Fund investments have redemption terms of 95 days' notice and certain lockups of 1 year. The Real Estate funds have a 65 days' notice period and redemption restrictions are on a pro rata basis. The Collective Trust funds may be redeemed daily and have no redemption restrictions. Private Bond funds are valued at the capital account balance provided by the general partner for the plan interest in a limited partnership. The capital account is valued at fair value using NAV as a practical expedient. These funds invest primarily in publicly and privately issued debt securities and floating rate loans of investment and noninvestment grade (high-yield) companies.

NOTE 6 - CONTRIBUTIONS, DEFERRED GIFTS RECEIVABLE, AND GOVERNMENT CONTRACTS

Contributions, deferred gifts receivable and government contracts were comprised approximately of the following at September 30, 2023 and 2022:

	2023	2022
Contributions receivable (gross)	$ 5,472,000	$ 6,489,000
Allowance for uncollectable pledges	(2,342,000)	(2,267,000)
Discount on pledges	(75,000)	(29,000)
	$ 3,055,000	$ 4,193,000

Included in contributions and deferred gifts receivable, net, are contributions receivable, of approximately $3,055,000 and $4,193,000 at September 30, 2023 and 2022, respectively. Contributions to be received over a period greater than one year are normally discounted using a risk adjusted rate based on the pledge period as of the date of the pledge and are not subsequently adjusted. At September 30, 2023, short-term contributions receivable are approximately $3,482,000, long-term contributions receivable are $1,990,000, and the discount on long-term contributions receivable is $75,000. At September 30, 2022, short-term contributions receivable are approximately $3,542,000, long-term contributions receivable are $680,000, and the discount on long-term contributions receivable is $29,000.

The allowance for uncollectable pledges was $2,342,000 and $2,267,000 at September 30, 2023 and 2022 respectively.

Included as deferred gifts receivable are remainder interests in several irrevocable trusts. The present value of the Organization's share of future interests in charitable remainder trusts, which amounted to approximately $78,000 and $82,000 has been recorded as deferred gifts receivable at September 30, 2023 and 2022, respectively, and, in accordance with the terms of the trusts, is included in net assets with donor restriction. The present value of the trusts was calculated using a discount rate of 5.0%. Beneficial interests in perpetual third-party trusts of approximately $250,000 and $222,000 valued at the Organization's share of the fair value of the underlying trust assets are included in net assets with donor restriction at September 30, 2023 and 2022, respectively.

In addition, the Organization has been awarded several renewable cost-reimbursement grants from federal agencies. The Organization has recorded the following revenue included in gifts, grants, and bequests on the accompanying consolidated statements of activities for the years ended September 30, 2023 and 2022:

	2023 Revenue	Cumulative Revenue	Cumulative Federal Appropriation
US Department of Labor	$ 347,000	$ 357,000	$ 2,500,000

	2022 Revenue	Cumulative Revenue	Cumulative Federal Appropriation
National Aeronautics and Space Administration	$ 43,000	$ 3,161,000	$ 3,471,000
Institute of Museum and Library Services	81,000	97,000	178,000
National Science Foundation	101,000	199,000	300,000
US Department of Labor	10,000	10,000	2,500,000
	$ 235,000	$ 3,467,000	$ 6,449,000

During February 2022, GSUSA filed for the employee retention credit for the second and third calendar quarters of 2021. In May 2023, GSUSA received a payment of $2,500,000 (including $92,000 of interest) for the second quarter of 2021. In June 2023, GSUSA received a payment of $2,530,000 (including $84,000 of interest) for the third quarter of 2021. This revenue is recognized as gifts, grants and bequests in the accompanying consolidated statement of activities.

As a response to the COVID-19 pandemic, the U.S. federal government passed the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). During May 2021, GSUSA received a second Payroll Protection Program ("PPP") loan in the amount of $2,000,000. GSUSA accounted for the second PPP loan as a conditional contribution that will be recognized as grant revenue when the conditions for use of the funds have been met and it is acknowledged by the lender that the loan will be forgiven. On March 3, 2022, the Small Business Administration authorized the full forgiveness of the $2,000,000 PPP loan. Since the conditions for use of the funds had been met, the forgiven total was recognized as revenue at that time and is reflected as gifts, grants and bequests in the accompanying consolidated statement of activities.

NOTE 7 - PROPERTY AND EQUIPMENT

Property and equipment are comprised, approximately, of the following at September 30, 2023 and 2022:

	2023	2022	Estimated Useful Lives
Building and improvements	$ 61,630,000	$ 61,689,000	10 to 40 years
Furniture and equipment	9,312,000	8,896,000	3 to 10 years
Software development costs	60,333,000	57,985,000	3 to 5 years
	131,275,000	128,570,000	
Less: accumulated depreciation	(95,707,000)	(86,623,000)	
	35,568,000	41,947,000	
Land	377,000	377,000	
	$ 35,945,000	$ 42,324,000	

Depreciation expense amounted to $9,084,000 and $9,570,000 for the years ended September 30, 2023 and 2022, respectively. Impairment expense of software development costs for unusable code amounted to $807,000 and 750,000 for the Single System Digital Cookie project for the years ended September 30, 2023 and 2022, respectively. During the year ended September 30, 2023 and 2022, the Organization disposed of fully depreciated and impaired assets totaling $1,557,000 and $0 respectively.

Included in property and equipment are assets acquired under finance lease arrangements with terms ranging from three to five years. At September 30, 2023 and 2022, equipment acquired under such leases had a cost of approximately $94,000 and $94,000, respectively, with accumulated depreciation of approximately $51,000 and $27,000, respectively.

NOTE 8 - GIRL SCOUT MERCHANDISE ("GSM")

GSM purchases uniforms and other products from manufacturers which it sells to councils and other customers on a wholesale and retail basis. GSM also licenses to manufacturers and other vendors the right to use the Organization's name and service marks on their products. Net revenue from GSM is used to further the program activities of the Organization. Summarized revenue and expenses relating to GSM are set forth below:

	Years Ended September 30,	
	2023	2022
Sales and other income	$ 37,214,000	$ 36,580,000
Less: cost of sales	(16,585,000)	(16,681,000)
Gross profit	20,629,000	19,899,000
Royalties, net of commission expense	9,314,000	9,292,000
	29,943,000	29,191,000
Girl program development and adult learning opportunities	(11,256,000)	(12,164,000)
	$ 18,687,000	$ 17,027,000

Included in GSM program development expenses are redistributed charges, which are overhead operations costs for expenses allocated to GSM of approximately $4,554,000 and $4,642,000 for the years ended September 30, 2023 and 2022, respectively.

NOTE 9 - DEBT

On October 14, 2016, the Organization entered into a $10,000,000, 364 day secured revolving credit facility. Effective July 6, 2020, the credit agreement was amended with a new increased commitment of $20,000,000 and, effective June 30, 2023, the credit agreement was amended with the new expiration date of June 28, 2024. The credit agreement is secured by certain of the Organization's investments.

Additionally, on February 12, 2021, the Organization entered into a $11,000,000, draw-down loan facility with an expiration of February 11, 2028, which is secured by certain of the Organization's investments. Effective November 1, 2021, the credit agreement was amended with a new increased commitment of $15,000,000. The Organization was able to borrow, repay in whole or in part, and re-borrow up to the total commitment until January 31, 2023, at which point no further loans could be requested or reborrowed. As of February 1, 2023, the loan facility requires monthly repayments of principal of $250,000 and interest. In fiscal year 2023, $2,000,000 was repaid. Under the credit agreement, the Organization is required to meet certain covenants, which it has met as of September 30, 2023 and 2022.

Maturities of the loan facility at September 30, 2023 are as follows:

2024	$ 3,000,000
2025	3,000,000
2026	3,000,000
2027	3,000,000
2028	1,000,000
Total, net	$ 13,000,000

The Organization has $13,000,000 and $8,200,000 outstanding on its debt facilities at September 30, 2023 and 2022, respectively. Interest expense associated with these borrowings totaled approximately $786,000 and $322,000 for the years ended September 30, 2023 and 2022, respectively.

NOTE 10 - BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

Board-designated net assets without donor restrictions are neither restricted by time or donor stipulations but were designated by the Board of Directors for specified purposes. Board-designated net assets without donor restrictions were comprised of the following at September 30, 2023 and 2022:

	2023	2022
Operating reserves	$ 65,187,000	$ 66,179,000
Board designated funds	43,555,000	41,189,000
Other	1,617,000	1,711,000
Total	$ 110,359,000	$ 109,079,000

NOTE 11 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are released from donor restrictions by incurring expenses and/or time restrictions having lapsed satisfying the restricted purposes, and are comprised approximately as follows at September 30, 2023 and 2022:

	2023	2022
Purpose restricted		
Comprehensive council support	$ 43,692,000	$ 41,737,000
Girl program development and adult learning opportunities	26,940,000	26,446,000
	70,632,000	68,183,000
Time restricted	328,000	304,000
	$ 70,960,000	$ 68,487,000

NOTE 12 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses and/or time restrictions having lapsed satisfying the restricted purposes approximately as follows at September 30, 2023 and 2022:

	2023	2022
Purpose restrictions satisfied		
Comprehensive council support	$ 3,323,000	$ 2,997,000
Girl program development and adult learning opportunities	14,450,000	9,141,000
	$ 17,773,000	$ 12,138,000

NOTE 13 - ENDOWMENT AND BOARD-DESIGNATED FUNDS

Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s). Board-designated funds include operating reserves and other board-designated funds, such as the Movement Growth Fund, Macy Scholarship Fund, and Lifetime Membership Fund. The purpose of the board-designated funds and the spending of them is at the discretion of the Board.

The Organization follows the provisions of "Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds." This standard provides guidance on classifying the net assets associated with donor-restricted endowment funds held by organizations subject to the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), passed by the District of Columbia, and also requires additional disclosures about endowments for both donor-restricted funds and board-designated funds.

The Organization has interpreted the District of Columbia UPMIFA as requiring the preservation of the fair value of the original gift, as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) the accumulations to the permanent endowment made in accordance with the directions of the applicable donor gift instrument, at the time the accumulation is added to the fund.

Accumulated earnings of the donor restricted endowment fund are classified in net assets with donor restrictions until such amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: the purpose, duration, and preservation of the endowment fund; expected total return of investments; general economic conditions; other resources of the Organization; and the investment policy of the Organization.

The Organization has a policy of appropriating for distribution a certain percentage (4% in 2023 and 2022) of an endowment fund's average fair value over the prior four years. In establishing this policy, the Organization considered the long-term expected return on its endowment assets. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

The Organization has adopted investment policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by these funds while seeking to maintain the purchasing power of these assets. Under this policy, as approved by the Board of Directors, the assets are invested in a manner that is intended to produce results that exceed the price and yield results of appropriate benchmarks without putting the assets at imprudent risk.

To satisfy its long-term objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diverse asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

For board designated funds, the Organization also has a standard policy of appropriating for distribution a certain percentage (4% in 2023 and 2022, except for 5% for the Movement Growth Fund in 2023 and 2022) of a fund's average fair value over the prior four years. In establishing this policy, the Organization considered the long-term expected return on its board designated funds. However, these funds do not need to be maintained in perpetuity and the Board recognizes that using them currently to fund services for the Movement and girl members, as well as address current liquidity needs, may be the most prudent course of action. In fiscal year 2023, an additional Board approved appropriation of $700,000 was made from the Macy Scholarship Fund to provide scholarships to Gold Award Girl Scouts. Additionally, the Board approved an appropriation of $4,500,000 from operating reserves for strategic investments.

The investment strategy for the board designated funds is consistent with that of the endowment funds.

The following table summarizes the changes in endowment and board-designated net assets for the year ended September 30, 2023:

Composition of Endowment and Board-Designated Net Assets by Type of Fund	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 60,658,000	$ 60,658,000
Board-designated funds	108,742,000	-	108,742,000
	$ 108,742,000	$ 60,658,000	$ 169,400,000

Changes in Endowment and Board-Designated Net Assets	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment and board-designated net assets, beginning of year	$ 107,368,000	$ 56,575,000	$ 163,943,000
Investment return			
Investment income	1,479,000	775,000	2,254,000
Net appreciation (realized and unrealized)	8,834,000	4,629,000	13,463,000
Contributions	-	13,000	13,000
Transfer from Macy Scholarship Fund	(700,000)	-	(700,000)
Transfer from operating reserves	(4,500,000)	-	(4,500,000)
Appropriation of endowment assets for expenditure	(5,054,000)	(2,224,000)	(7,278,000)
Other changes	1,315,000	890,000	2,205,000
Endowment and board-designated net assets, end of year	$ 108,742,000	$ 60,658,000	$ 169,400,000

The following table summarizes the changes in endowment and board-designated net assets for the year ended September 30, 2022:

Composition of Endowment and Board-Designated Net Assets by Type of Fund	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Donor-restricted endowment funds	$ -	$ 56,575,000	$ 56,575,000
Board-designated funds	107,368,000	-	107,368,000
	$ 107,368,000	$ 56,575,000	$ 163,943,000

Changes in Endowment and Board-Designated Net Assets	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Endowment and board-designated net assets, beginning of year	$ 140,255,000	$ 66,508,000	$ 206,763,000
Investment return			
Investment income	1,530,000	718,000	2,248,000
Net appreciation (realized and unrealized)	(18,350,000)	(8,609,000)	(26,959,000)
Contributions	-	13,000	13,000
Transfer from Movement Growth Fund	(250,000)	-	(250,000)
Transfer from operating reserves	(8,170,000)	-	(8,170,000)
Appropriation of endowment assets for expenditure	(5,178,000)	(2,176,000)	(7,354,000)
Other changes	(2,469,000)	121,000	(2,348,000)
Endowment and board-designated net assets, end of year	$ 107,368,000	$ 56,575,000	$ 163,943,000

Excluded from net assets with donor restrictions from the tables above at September 30, 2023 and 2022 are approximately $250,000 and $221,000, respectively, in each year of perpetual trusts held by third parties.

NOTE 14 - BENEFIT PLANS

The Organization sponsors the Girl Scouts of the USA Retirement Plan (the “Plan”), which is a noncontributory defined benefit plan for its employees. The Plan was amended on April 16, 2011 to cease accruals as of December 31, 2011 for employees participating in the Plan and employees hired on or after January 1, 2012 may not enter the Plan. Benefits are based on years of service and salary level. Contributions to the Plan are made based upon payment schedules provided by the actuaries of the Plan. Normal retirement age is 65, but provisions are made for early retirement.

The Plan’s actuary performed the computations required for financial statement disclosure as of September 30, 2023 and 2022.

Plan assets, which are held by the Bank of New York/Mellon and the Metropolitan Life Insurance Company, are stated at fair value at September 30 and are composed primarily of investments in common stock, publicly traded debt and equity mutual funds, private equities, hedge funds, a collective trust, and real estate.

The following table sets forth the amounts reported in the Organization's consolidated statements of financial position and other information relative to the Plan as of and for the years ended September 30, 2023 and 2022:

	2023	2022
Net asset (liability) recognized in the consolidated statements of financial position		
Beginning of year	$ (5,202,000)	$ (4,461,000)
Service cost including expenses	(580,000)	(590,000)
Interest cost	(4,453,000)	(2,952,000)
Expected return on plan assets	4,576,000	5,244,000
Employer contributions	3,900,000	3,900,000
Actuarial gain	2,234,000	(6,343,000)
End of year	475,000	(5,202,000)
Reconciliation of benefit obligation		
Obligation, beginning of year	84,615,000	112,991,000
Service cost including expenses	580,000	590,000
Interest cost	4,453,000	2,952,000
Actuarial gain	(2,498,000)	(23,525,000)
Benefit payments and actual expenses	(8,494,000)	(8,393,000)
Obligations, end of year	78,656,000	84,615,000
Reconciliation of fair value of plan assets		
Fair value of Plan assets, beginning of year	79,413,000	108,530,000
Actual return on Plan assets	4,312,000	(24,624,000)
Employer contributions	3,900,000	3,900,000
Benefits payments and actual expenses	(8,494,000)	(8,393,000)
Fair value of Plan assets, end of year	79,131,000	79,413,000
Funded status	$ 475,000	$ (5,202,000)
Amounts recognized in net assets without donor restrictions		
Net loss	(21,849,000)	(24,965,000)
Components of net periodic benefit cost		
Service cost including expenses	$ 580,000	$ 590,000
Interest cost	4,453,000	2,952,000
Expected return on Plan assets	(4,576,000)	(5,244,000)
Amortization of prior service credit	(12,000)	(12,000)
Amortization of net loss	894,000	405,000
Net periodic benefit cost	$ 1,339,000	$ (1,309,000)

	2023	2022
Other changes in assets and benefit obligations recognized in net assets without donor restrictions:		
Net gain/ (loss)	$ 2,234,000	$ (6,343,000)
Amortization or curtailment recognition of prior service credit	(12,000)	(12,000)
Amortization of net loss	894,000	405,000
Total amount recognized in net assets without donor restrictions	$ 3,116,000	$ (5,950,000)
Weighted-average assumptions:		
Discount rate used to calculate benefit obligation	5.90%	5.50%
Discount rate used to calculate net periodic benefit cost	5.50%	2.70%
Expected long-term rate of return on Plan assets	6.00%	5.00%
Average rate of increase in compensation levels	NA	NA

The Organization's Investment Subcommittee (the "Committee") monitors the target asset allocation (as approved by the Board of Directors) and asset performance. The Board of Directors approved a glide path policy for the Plan which, as funded status improves, gradually de-risks the Plan by investing in assets which better hedge the economic exposures of the liabilities (generally long duration bonds). The expected long-term rate of return is determined by using target asset allocation and historical returns for each asset class.

The fair values of the Plan's investment securities classified by level as of September 30, 2023 are as follows:

	Total	Level 1	Level 2
Common stock			
Small capitalization equities	$ 346,000	$ 346,000	$ -
Mutual funds			
Domestic	4,668,000	4,668,000	-
International	4,649,000	4,649,000	-
Money market funds	1,437,000	1,437,000	-
Fixed income funds	14,169,000	14,169,000	-
Guaranteed contract	18,000	-	18,000
Subtotal	25,287,000	$ 25,269,000	$ 18,000
Investment carried at NAV	53,844,000		
Total	$ 79,131,000		

The fair values of the Plan's investment securities classified by level as of September 30, 2022 are as follows:

	Total	Level 1	Level 2
Common stock			
Small capitalization equities	$ 720,000	$ 720,000	$ -
Mutual funds			
Domestic	7,074,000	7,074,000	-
International	5,064,000	5,064,000	-
Money market funds	1,056,000	1,056,000	-
Fixed income funds	6,632,000	6,632,000	-
Guaranteed contract	26,000	-	26,000
Subtotal	20,572,000	$ 20,546,000	$ 26,000
Investment carried at NAV	58,841,000		
Total	$ 79,413,000		

Per the accounting standard governing NAV as a practical expedient, the following tables list the Plan's investment in other companies by major category and then by investment manager as of September 30, 2023 and 2022:

2023

Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private equities	Funds are focused on venture and buyout in the U.S.: U.S. buyout primary partnerships, U.S. venture primary partnerships, and US credit primary partnerships.	$ 2,027,000	9	1 to 5 years	$ 347,000	1 to 2 years
Fixed income funds	Funds are focused on proving maximum long term returns by outperforming Benchmark index.	22,179,000	3	N/A	-	Notification of 2-5 Business Days
Collective trust	Collective investment fund focusing on generating attractive return, through investment in a diversified portfolio of emerging markets debt and currency instruments.	29,638,000	4	N/A	-	N/A
Total		$ 53,844,000	16		$ 347,000	

2022						
Type	Strategy	NAV in Funds	# of Funds	Remaining Life	$ Amount of Unfunded Commitments	Timing to Drawdown Commitments
Private equities	Funds are focused on venture and buyout in the U.S.: U.S. buyout primary partnerships, U.S. venture primary partnerships, and US credit primary partnerships.	$ 2,450,000	9	1 to 5 years	$ 397,000	1 to 2 years
Fixed income funds	Funds are focused on proving maximum long term returns by outperforming Benchmark index.	17,488,000	3	N/A	-	Notification of 2-5 Business Days
Collective trust	Collective investment fund focusing on generating attractive return, through investment in a diversified portfolio of emerging markets debt and currency instruments.	38,903,000	4	N/A	-	N/A
Total		$ 58,841,000	16		$ 397,000	

The Private Equity and Fixed Income funds have no redemption terms. The Hedge Fund investments have redemption terms ranging from 95 to 370 days' notice and certain lockups range from 1 to 2 years. The Real Estate funds have a 30-day notice period and redemption restrictions are on a pro rata basis. The Collective Trust funds may be redeemed daily and have no redemption restrictions.

The following benefits which reflect expected future service, as appropriate, are expected to be paid approximately as follows:

Fiscal	
2024	$ 7,421,000
2025	7,396,000
2026	7,263,000
2027	7,120,000
2028	6,979,000
2029-2033	32,037,000

Contributions made to the Plan during the fiscal years ended September 30, 2023 and 2022 were $3,900,000, respectively. A contribution of approximately $3,900,000 is expected to be made for fiscal year 2024.

Effective December 31, 2011, benefit accruals under the defined benefit retirement plan ceased. During fiscal 2011, the Organization amended its 401(k) plan, effective January 1, 2012, to make a base employer contribution of 2% of compensation up to Internal Revenue Code limit, and a matching contribution of 100% of the first 1% of employee deferrals, plus 50% of the next 5% of employee deferrals (a maximum of 3.5% of compensation) subject to Internal Revenue Service limits. As of August 1, 2020, the Organization suspended employer contributions to the 401(k). Effective October 1, 2021, the Organization reinstated employer contributions and amended its 401(k) plan to make a matching contribution of 100% of the first 2% of employee deferrals, plus 50% of the next 6% of employee deferrals (a maximum of 5% of compensation) subject to Internal Revenue Service limits.

Employer contributions to the 401(k) for the fiscal year ended September 30, 2023 and 2022 were $1,321,000 and $1,610,000, respectively.

NOTE 15 - POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Post-retirement group health care coverage may be offered to employees who participate in the GSUSA Retirement Plan, have an employment status change immediately from active employee to retiree, and promptly commence to collect a pension annuity. If the retiree meets the above criteria, the coverage is also offered to their eligible dependents.

Additionally, retirees who meet the above requirements are currently offered a benefits stipend of $500 annually to offset their medical premium.

GSUSA reserves the right to change and/or discontinue these offerings at any time.

The Organization funds its postretirement benefit costs on a pay-as-you-go basis; however, for financial reporting purposes, the Organization records these benefits as employees earn them. The related liability totaled approximately $29,000 and $29,000 in fiscal 2023 and 2022, respectively, and is included within accounts payable and accrued liabilities on the accompanying consolidated statements of financial position.

NOTE 16 - LEASE COMMITMENTS

The Organization has one operating lease for office space and various finance leases for equipment. The operating lease does not contain any material residual value guarantees or material restrictive covenants and has a remaining lease term of 10¾ years. It allows for first 9 months of rent abatement. The right-of-use asset and lease liability were recognized at the lease commencement date based on the present value of the lease payments over the lease term. A risk adjusted rate of 2.81% was used to determine the present value of the lease payments, which are recognized on a straight-line basis over the lease term. Operating lease cost was approximately $180,000 and $144,000 for the years ended September 30, 2023 and 2022, respectively. The operating lease right-of-use asset of $663,000 and $753,000 is included in property and equipment, for the years ended September 30, 2023, and 2022, respectively and included in the accompanying consolidated statements of financial position. The operating lease liability is approximately $752,000 and $844,000 and is included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position for the years ended September 30, 2023 and 2022, respectively.

The finance lease arrangements are due to expire on various dates through fiscal year 2026. The equipment is capitalized as leased property and amortized on a straight-line basis over the term of the lease. The corresponding obligation under the finance leases represents the present value of the rental payments. Principal payments for the years ended September 30, 2023 and 2022 under all finance leases totaled approximately $23,000 and $20,000, respectively. Amounts outstanding under these finance leases are included in accounts payable and accrued expenses on the accompanying consolidated statements of financial position at September 30, 2023 and 2022 and totaled approximately $46,000 and $69,000, respectively.

The following is a schedule of future minimum rental payments required under the various leases as of September 30, 2023:

Fiscal		
2024	$	143,000
2025		140,000
2026		125,000
2027		126,000
2028		129,000
Thereafter		211,000
Present value discount		(76,000)
Total	$	798,000

NOTE 17 - SUBSEQUENT EVENTS

The Organization evaluated its September 30, 2023 consolidated financial statements for subsequent events through January 25, 2024, the date the consolidated financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the accompanying consolidated financial statements.

SUPPLEMENTARY INFORMATION

Girl Scouts of the United States of America

CONSOLIDATING SCHEDULE OF PROPERTY AND EQUIPMENT

As of September 30, 2023

	New York Girl Scouts, Inc.	One GS Media LLC	GSUSA	Total
Buildings and improvements	$ 55,689,000	$ -	$ 5,941,000	$ 61,630,000
Furniture and equipment	-	-	9,312,000	9,312,000
Software development costs	-	-	60,333,000	60,333,000
Construction in progress	-	-	-	-
	55,689,000	-	75,586,000	131,275,000
Less: accumulated depreciation	(41,788,000)	-	(53,919,000)	(95,707,000)
	13,901,000	-	21,667,000	35,568,000
Land	124,000	-	253,000	377,000
Total property and equipment, net	$ 14,025,000	$ -	$ 21,920,000	$ 35,945,000

Girl Scouts of the United States of America

CONSOLIDATING SCHEDULE OF PROPERTY AND EQUIPMENT

As of September 30, 2022

	New York Girl Scouts, Inc.	One GS Media LLC	GSUSA	Total
Buildings and improvements	$ 55,689,000	$ -	$ 6,000,000	$ 61,689,000
Furniture and equipment	-	-	8,896,000	8,896,000
Software development costs	-	-	57,985,000	57,985,000
Construction in progress	-	-	-	-
	55,689,000	-	72,881,000	128,570,000
Less: accumulated depreciation	(40,682,000)	-	(45,941,000)	(86,623,000)
	15,007,000	-	26,940,000	41,947,000
Land	124,000	-	253,000	377,000
Total property and equipment, net	$ 15,131,000	$ -	$ 27,193,000	$ 42,324,000

Girl Scouts of the United States of America

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of September 30, 2023

	New York Girl Scouts, Inc.	GSUSA	Consolidated
ASSETS			
Cash and cash equivalents	$ -	$ 28,856,000	$ 28,856,000
Accounts receivable, net of allowance for doubtful accounts of approximately $698,000 in 2023	-	4,362,000	4,362,000
Inventories, net	-	7,066,000	7,066,000
Prepaid expenses	-	4,708,000	4,708,000
Investments	-	171,143,000	171,143,000
Contributions and deferred gifts receivable, net	-	3,383,000	3,383,000
Funds held in trust for others	-	560,000	560,000
Overfunded pension liability	-	475,000	475,000
Property and equipment, net	14,025,000	21,920,000	35,945,000
Total assets	$ 14,025,000	$ 242,473,000	$ 256,498,000
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable and accrued liabilities	$ -	$ 15,903,000	$ 15,903,000
Loan facility	-	13,000,000	13,000,000
Funds held in trust for others	-	560,000	560,000
Deferred revenues:	-		
Membership dues	-	27,326,000	27,326,000
Other	-	12,307,000	12,307,000
Total liabilities	-	69,096,000	69,096,000
Net assets			
Without donor restrictions:			
Operating fund	14,025,000	13,907,000	27,932,000
Pension fund	-	(21,849,000)	(21,849,000)
Board designated	-	110,359,000	110,359,000
	14,025,000	102,417,000	116,442,000
With donor restrictions:			
Purpose restricted	-	40,794,000	40,794,000
Time-restricted for future periods	-	328,000	328,000
Perpetual in nature	-	29,838,000	29,838,000
Total net assets	14,025,000	173,377,000	187,402,000
Total liabilities and net assets	$ 14,025,000	$ 242,473,000	$ 256,498,000

Girl Scouts of the United States of America

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

As of September 30, 2022

	New York Girl Scouts, Inc.	One GS Media LLC	GSUSA	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ -	$ 3,000	$ 11,954,000	$ -	$ 11,957,000
Accounts receivable, net of allowance for doubtful accounts of approximately $695,000 in 2022	-	-	3,812,000	-	3,812,000
Inventories, net	-	-	8,184,000	-	8,184,000
Prepaid expenses	-	-	2,892,000	-	2,892,000
Investments	-	-	166,185,000	-	166,185,000
Investment in subsidiary	-	-	7,071,000	(7,071,000)	-
Contributions and deferred gifts receivable, net	-	-	4,497,000	-	4,497,000
Funds held in trust for others	-	-	535,000	-	535,000
Property and equipment, net	15,131,000	-	27,193,000	-	42,324,000
Total assets	$ 15,131,000	$ 3,000	$ 232,323,000	$ (7,071,000)	$ 240,386,000
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued liabilities	$ -	$ -	$ 17,098,000	$ -	$ 17,098,000
Pension liability	-	-	5,202,000	-	5,202,000
Line of credit	-	-	1,000,000	-	1,000,000
Loan facility			7,200,000	-	7,200,000
Funds held in trust for others	-	-	535,000	-	535,000
Deferred revenues:					
Membership dues	-	-	26,762,000	-	26,762,000
Other	-	-	1,110,000	-	1,110,000
Total liabilities	-	-	58,907,000	-	58,907,000
Net assets					
Without donor restrictions:					
Operating fund	15,131,000	3,000	20,815,000	(7,071,000)	28,878,000
Pension fund	-	-	(24,965,000)	-	(24,965,000)
Board designated	-	-	109,079,000	-	109,079,000
	15,131,000	3,000	104,929,000	(7,071,000)	112,992,000
With donor restrictions:					
Purpose restricted	-	-	40,347,000	-	40,347,000
Time-restricted for future periods	-	-	304,000	-	304,000
Perpetual in nature	-	-	27,836,000	-	27,836,000
Total net assets	15,131,000	3,000	173,416,000	(7,071,000)	181,479,000
Total liabilities and net assets	$ 15,131,000	$ 3,000	$ 232,323,000	$ (7,071,000)	$ 240,386,000